

Hunter

Joint Organisation



Hunter Joint Organisation Board Meeting Papers

1:30pm, Thursday 13 February 2020

Hunter JO Boardroom, 4 Sandringham Ave Thornton

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Note. Attachments have been included at the end of the papers

1. Welcome and Apologies
2. Minutes of Previous Meeting

2.1 Minutes of Meeting 14 November 2019

Hunter Joint Organisation Board Meeting Minutes

12:00 – 2:00pm, Thursday 14 November 2019

Jubilee Room, Parliament House, Sydney

Voting Directors Present

Cr Bob Pynsent,	Cessnock City Council
Cr Tracy Norman,	Dungog Shire Council
Cr Sue Moore,	Singleton Shire Council
Cr Wayne Bedggood,	Upper Hunter Shire Council
Cr Loretta Baker,	Maitland City Council
Cr Nuatali Nelmes,	Newcastle City Council
Cr Kay Fraser,	Lake Macquarie City Council
Cr Martin Rush,	Muswellbrook Shire Council

Non-Voting Members Present

Steve McDonald,	General Manager, Upper Hunter Shire Council
Coralie Nichols,	General Manager, Dungog Shire Council
Jeremy Bath,	CEO, Newcastle City Council
David Evans,	General Manager, Maitland City Council
Fiona Plesman,	General Manager, Muswellbrook Shire Council
Jason Linnane,	General Manager, Singleton Council
Morven Cameron,	CEO, Lake Macquarie City Council
Lotta Jackson	General Manager, Cessnock City Council
Alison McGaffin	Director, Hunter & Central Coast, Regional NSW (DPIE)

Apologies

Cr David West,	MidCoast Council
Cr Ryan Palmer,	Port Stephens Council
Adrian Panuccio,	General Manager, MidCoast Council
Wayne Wallis,	General Manager, Port Stephens Council

Staff in attendance

Joe James, CEO, Hunter Joint Organisation

Graham Dean, Manager Finance & Administration, Strategic Services Australia

Steve Wilson, Director, Environment Division, Strategic Services Australia

Louisa Bulley, Executive Assistant to the CEO (Secretariat)

Observers

Virginia Errington, Office of Local Government

Xanthe Addison, Marketing & Communications, Hunter Joint Organisation

Item 1 Welcomes and Apologies

The Chair welcomed the members to the meeting, giving a particular welcome to Lotta Jackson and Alison McGaffin to their first board meeting of the Hunter Joint Organisation.

Resolved:

- ***That the apologies be noted.***

Moved: Wayne Bedggood

Seconded: Sue Moore

Carried.

Item 2 Minutes of Previous Meeting

The minutes of the meeting of 12 September 2019 were noted.

Item 3 Confirmation of Minutes & Business Arising from Minutes

Resolved:

- ***That the minutes of the previous meetings of 12 September 2019, be adopted***

Moved: Sue Moore

Seconded: Tracy Norman

Carried.

The Chair noted that he would need to leave the room for a period during the meeting, and that the Board must elect a Chairperson to take his place during this absence.

Cr Rush nominated Cr Bedggood for the role of Chair. This motion was seconded by Cr Norman.

Resolved:

- ***That Cr Bedggood act as Chair of the Hunter JO during the meeting, during the absence of Cr Pynsent.***

Moved: Martin Rush

Seconded: Tracy Norman

Carried.

Item 4 Presentations

Nil presentations were given.

Item 5 Correspondence

The correspondence was taken as read. Cr Rush raised a question regarding correspondence previously received by the Hunter JO Board from the Upper Hunter Country Council. This item was deferred for discussion in General Business.

Resolved:

- ***That the update report be received and noted.***

Moved: Martin Rush

Seconded: Tracy Norman

Carried.

Item 6 Reports

6.1 CEO Report

The report was taken as read. The CEO provided a short verbal update to accompany the report.

Resolved:

- ***That the update report be received and noted.***

Moved: Wayne Bedggood

Seconded: Sue Moore

Carried.

6.2 Financial Reports YTD September 2019

The report was taken as read.

Resolved:

- ***That the Profit and Loss Statement for period ending 30 September 2019 be received and noted***

Moved: Sue Moore

Seconded: Kay Fraser

Carried.

6.3 SSA/HJO Inter-Entity Agreement

The report was taken as read.

Resolved:

- ***THAT the Board note and ratify the inter-entity schedule of monthly charges as it relates to the Hunter Joint Organisation.***

Moved: Sue Moore

Seconded: Wayne Bedggood

Carried.

6.4 Segregation of Duties

The report was taken as read.

Resolved:

- ***THAT the Board note that this new control recommended by the auditor has been implemented.***

Moved: Sue Moore

Seconded: Nuatali Nelmes

Carried.

6.5 Hunter Economic Transition Standing Committee Update

The report was taken as read. The CEO provided a verbal update to accompany the report.

Cr Rush proposed to move the recommendation with an additional dot point:

- ***“That if the timeframe set out in the proposed project plan be materially different that that be reported as soon as reasonably possible to the members.”***

Cr Bedggood seconded this motion.

[At this point in the meeting Cr Pynsent left the meeting at 12:27pm, referring the role of Chair to Cr Bedggood in his absence]

The Board further discussed the proposed recommendations and the amendment put forward from Cr Rush.

Resolved:

- *The HJO Board endorse the proposed project plan for stakeholder engagement and establishment of the foundation, including that stakeholder engagement commence using the draft objectives and the key messages noted in the project plan;*
- *The Board notes the survey of domestic and international examples of transition focused organisations and that the full scope of potential activities will be discussed with potential stakeholders to determine support and alignment on various activities;*
- *Noting the potential for AGL and other partners to provide financial support for foundation establishment, the Hunter Joint Organisation underwrite the forecast project cost, whilst continuing to seek external funding to alleviate the cost to the HJO, with the CEO to provide updates to each standing committee and board meeting.*
- *That if the timeframe set out in the proposed project plan be materially different that that be reported as soon as reasonably possible to the members*

Moved: *Martin Rush*

Seconded: *Wayne Bedggood*

Carried.

6.6 HJO Branding: Marketing & Communications

The report was taken as read.

Resolved:

- ***THAT the update be noted.***

Moved: *Sue Moore*

Seconded: *Loretta Baker*

Carried.

6.7 HJO Strategic Planning Update

The report was taken as read. The CEO provided a verbal update to accompany the report.

Cr Rush proposed to move the recommendation with an additional dotpoint;

- *“That an indicative budget in the form of that distributed for discussion by the Mayor of Muswellbrook earlier this year (corrected for his mathematical error) be provided to the consultant to provide some guidance from the Board as to what the Board may be prepared to fund.”*

Cr Moore seconded this motion.

The Board discussed the proposed recommendation and amendment. Cr Norman objected to an indicative budget model being provided to the strategic planning consultant when the model was not endorsed by the Board.

Cr Rush proposed to move the recommendation with an amendment to the additional dotpoint;

- *“That an indicative budget [envelope] in the form of that distributed for discussion by the Mayor of Muswellbrook earlier this year (corrected for his mathematical error) be provided to the consultant to provide some guidance from the Board as to what the Board may be prepared to fund.”*

Cr Fraser moved an amendment to the proposed recommendation, with the removal of the additional dotpoint, and a reversion to the original recommendation provided in the papers. Cr Norman seconded this motion.

Cr Nelmes proposed an addition to Cr Fraser’s amendment; that the budget paper from the Hunter JO Extraordinary Board Meeting of 6 June 2019 be provided to the consultant. This addition was not accepted.

Cr Fraser’s amendment was carried in the affirmative.

Resolved: That

- ***The update be noted, and***

- **Endorse the engagement of a consultant to a maximum budget of \$30k to support strategic planning by the CEO.**

Moved: Kay Fraser

Seconded: Tracy Norman

Carried.

[At this point in the meeting Cr Pynsent re-entered the meeting at 1:20pm, thanking Cr Bedggood for Chairing in his absence.]

6.8 NSW Circular Economy

The report was taken as read. Cr Rush thanked Steve Wilson for his report.

Resolved:

That the HJO Board:

- **Endorse Phase Two of LGNSW's "Save Our Recycling" campaign (as outlined in Attachment 13), join the campaign by registering on the Save our Recycling page and write to the relevant State and Federal government ministers using the Save our Recycling campaign materials.**

That the HJO Board note the following:

- **The Circular Economy Working Group met on 1 November 2019 to receive the draft report and presentation on the Hunter Central Coast Circular Economy Eco-System.**
- **Proposed public launch date of the Hunter Central Coast Circular Economy Eco-System is 29 November 2019.**
- **Hunter Central Coast (HCC) Material Flow Analysis (MFA) Project draft outputs will be ready for internal review early December 2019.**
- **The Circular Economy work of the HJO is receiving positive State and National attention.**
- **GMAC endorsed the engagement of council staff to develop a new project, the Circular Economy decision making framework, to assist with resolving the complexities and focus of the Circular Economy program.**

Moved: Martin Rush

Seconded: Nuatali Nelmes

Carried.

6.9 Additional JO Funding

The report was taken as read.

Resolved:

- **THAT the update be noted.**

Moved: Martin Rush

Seconded: Nuatali Nelmes

Carried.

6.10 HJO Budget Review

The report was taken as read.

Resolved:

- **THAT the update be noted.**

Moved: Martin Rush

Seconded: Nuatali Nelmes

Carried.

6.11 HJO Relationship to Committee for the Hunter

Cr Bedggood moved to defer this item. Cr Moore seconded the motion.

Cr Rush indicated dissent that he could not speak on the deferred item.

Resolved:

- **THAT the item be deferred**

Moved: Wayne Bedggood

Seconded: Sue Moore

Carried.

7. Matters Raised by Voting & Non-Voting Members

No items were raised.

Item 8 General Business

8.1 Forward Planner

The update was taken as read. The CEO provided a short verbal update regarding the HJO Annual Performance Statement. While this Statement had previously been optional for submission to the Office of Local Government, the HJO has been informed that submission will now be required to OLG within 2019.

Resolved:

- **That the update be noted.**

Moved: Loretta Baker

Seconded: Sue Moore

Carried.

8.2 Amended 2020 Meeting Schedule

The Board discussed schedule, and that the election of a new Chair be moved to the meeting of 11 June 2020. The CEO proposed an additional date be decided offline for a strategic planning day for the Board.

Resolved:

- **That the Board endorse the proposed schedule for 2020 Board Meetings**
- **That the Board discuss interest in having an additional date set aside in the 2020 schedule for an HJO Board Strategy Day**

Moved: Kay Fraser

Seconded: Wayne Bedggood

Carried.

8.3 Board Forward Planner

The report was taken as read.

Resolved:

- **That the report be noted.**

Moved: Loretta Baker

Seconded: Sue Moore

Carried.

Additional General Business

Upper Hunter County Council Correspondence

Cr Rush spoke to the correspondence previously received by the HJO from the Upper Hunter County Council.

Cr Rush moved that a sunset committee be formed, with Singleton Council, Upper Hunter Shire Council, Muswellbrook Shire Council, and any other Committee that provides a nomination by 5pm Friday 22nd November, to investigate and respond to the request previously made from the Upper Hunter County Council made to the Hunter Joint Organisation.

Cr Bedggood seconded this motion.

Resolved:

- ***That a sunset committee be formed, with Singleton Council, Upper Hunter Shire Council, Muswellbrook Shire Council, and any other Committee that provides a nomination by 5pm Friday 22nd November, to investigate and respond to the request previously made from the Upper Hunter County Council made to the Hunter Joint Organisation.***

Moved: Martin Rush

Seconded: Wayne Bedggood

Carried.

Correspondence to MidCoast Council

Cr Fraser moved that the HJO send a letter of support to the Mayor of MidCoast Council stating the concern of his fellow mayors for the effects of the bushfires on the LGA and the community, and offering any assistance that can be provided by the Hunter Joint Organisation.

Resolved:

- ***That the above correspondence be sent to MidCoast Council.***

Moved: Kay Fraser

Seconded: Wayne Bedggood

Carried.

Cr Norman also moved that correspondence be sent to the NSW Premier congratulating the Emergency Services for their efforts during the bushfires.

Resolved:

- ***That the above correspondence be sent to the NSW Premier***

Moved: Tracy Norman

Seconded: Wayne Bedggood

Carried.

Cr Norman proposed a motion that the Hunter JO give urgent consideration to an investment strategy relating to the money derived from the sale of the Bonville Ave asset.

Resolved:

- ***That the Hunter JO give urgent consideration to an investment strategy relating to the money derived from the sale of the Bonville Ave asset.***

Moved: Tracy Norman

Seconded: Kay Fraser

Carried.

Meeting closed 1:51 pm

3. Confirmation of Minutes & Business Arising from Minutes

Recommendation:

- That the minutes of the previous meetings of 14 November 2019 be adopted

3.1 Business Arising: Action Register

I.D	Action	Meeting	Status	Notes
HJO-19-03	CEO to provide a report will be brought back to the Board providing a draft 'Plan of Advocacy' regarding Intergovernmental Partnerships to the next meeting of the Board	11 July 19	Paused pending strategic planning process	The CEO will provide a report to the Board in early 2020.
HJO-19-13	That a discussion of Audit, Risk and Improvement Committees be added to the agenda for the HJO for discussion at a later date	12 Sep 19	Ongoing	This item has been placed on the HJO Board Forward Planner for discussion in April 2020
HJO-20-01	That the Hunter JO write to the relevant State and Federal government ministers using the Save our Recycling campaign materials.	14 Nov 19	On Hold	Save our Recycling Campaign has halted sending correspondence to Ministers.
HJO-20-02	That a sunset committee be formed, with Singleton Council, Upper Hunter Shire Council, Muswellbrook Shire Council, and any other Committee that provides a nomination by 5pm Friday 22nd November, to investigate and respond to the request previously made from the Upper Hunter County Council made to the Hunter Joint Organisation.	14 Nov 19	Ongoing	No update provided.
HJO-20-03	That the HJO send a letter of support to the Mayor of MidCoast Council stating the concern of his fellow mayors for the effects of the bushfires on the LGA and the community, and offering any assistance that can be provided by the Hunter Joint Organisation.	14 Nov 19	Complete	
HJO-20-04	That the Hunter JO send correspondence to the NSW Premier congratulating the Emergency Services for their efforts during the bushfires.	14 Nov 19	Complete	As per 'Correspondence'
HJO-20-05	That the Hunter JO give urgent consideration to an investment strategy relating to the money derived from the sale of the Bonville Ave asset.	14 Nov 19	Underway	This matter has been referred to the SSA Strategic Planning Process. A copy of the report on this process has been included at Attachment 11.

4. Presentations

Nil presentations

5. Correspondence

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Executive Summary:

This report provides an update on correspondence sent and received in relation to GMAC and the Hunter Joint Organisation Board.

Correspondence Received:

- Attachment 1: Correspondence from AGL to HJO re: Hunter Economic Transition
- Attachment 2: Correspondence from Department of Infrastructure, Transport, Cities & Regional Development re: Tenterfield to Newcastle Corridor – Roads of Strategic Importance Consultation
- Attachment 3: Formal correspondence from Hon Scott Buchholz MP re: Tenterfield to Newcastle Corridor – Roads of Strategic Importance Consultation

Correspondence Sent:

- Attachment 4: Correspondence to AGL re: Hunter Economic Transition (incl. Invoice)
- Attachment 5: Correspondence to Hon Catherine Cusack re: Appointment as Parliamentary Secretary to the Hunter
- Attachment 6: Correspondence to OLG re: Local Film Licencing Protocol (not attached, will be sent out as a late addition to the papers)
- Attachment 7: Correspondence to RFS Commission Shane Fitzsimmons re: Outstanding efforts during bushfires season
- Attachment 8: Correspondence to Premier re: Outstanding efforts during bushfires season

RECOMMENDATION:

THAT the update report be received and noted.

6. Reports

6.1 CEO Report

Report Author: Joe James, CEO

Responsible Officer: Joe James, CEO

Executive Summary:

The purpose of this report is for the CEO to report to the Hunter Joint Organisation Board to provide progress updates on activity since the last board meeting.

Joint Organisation Standing Committees and Working Groups	
Hunter Joint Organisation Leadership Team Meetings	As a direct outcome from the Strategic Planning Process underway for the Hunter JO, monthly meetings have now been initiated between the Chair of the Hunter JO, the Chair of GMAC, and the CEO. These meetings will commence in late January.
Greater Newcastle Metropolitan Plan Steering Committee	The CEO, Chair of the Hunter JO, and the Chair of the Standing Committee for the Greater Newcastle Metropolitan Plan, are scheduled to meet with Minister Stokes in Sydney on Tuesday 11 th February to discuss the proposed MoU between the five lower Hunter councils and NSW Government. A verbal summary will be provided to the February meeting of the Hunter JO Board.
Circular Economy Working Group	<p>The Circular Economy Sub-Committee met on Friday 1st November.</p> <p>A brief update from the meeting is below:</p> <ol style="list-style-type: none">1. Circular economy eco-system report is now finalised. The accompanying database and website are currently being tested ready for launch 27 February 2020.2. Procurement project opportunities are still in development with draft MOU to be ready in February 2020.3. Circular Economy Decision Making Framework funding is now being sought and consultants brief is ready for quotations.4. We had a meeting on 11 Dec with Working Group members only to review the material flow analysis project outcomes. The material flow analysis report is now complete and the database tool is being tested for launch in late February 2020. <p>Key recommendations and actions from the meeting were:</p> <ol style="list-style-type: none">1. Working Group to review the Circular economy eco-system report and make any recommendations for next steps. Due COB Wednesday 4 December 2019.2. Working Group is keen to further develop the procurement elements of circular economy as it is where Councils can have the most direct impact and can assist in providing certainty to the market. Tim

	<p>to develop up strategies and programs for procurement of recycled content goods, including the investigation of developing a Hunter region MOU similar to SSROC.</p> <ol style="list-style-type: none"> 3. Seek to engage consultants to create a Circular Economy Decision Making Framework subject to funding availability. 4. Next Meeting will be scheduled for February 2020.
Strategic Projects / Programs	
Intergovernmental Partnerships	No further developments.
Hunter Economic Transition	<p>The Hunter Economic Transition Working Group met on 12 December 2019, with an update provided to the Steering Committee before the Christmas Break. The outcomes of this Committee since its last meeting are addressed further in Item 6.7.</p> <p>The CEO and our lead consultant on this project will also provide a presentation to the Board during the Board meeting.</p>
Regional Population Scenario Planning	<p>On 15 November 2019, the Hunter JO hosted, with the HRF, senior officers from member councils at a presentation and brief workshop with Liz Ritchie, co-CEO of the Regional Australian Institute, on RAI's work on Regional Population Scenarios. The consensus at this session was that the Hunter JO continue to progress this work.</p> <p>The first step will be to use the HJO Regional Planning session on 7 February, to which member councils have been invited, to co-ordinate feedback on the NSW 2019 Planning Projections released in December. We will capture Member Council's key drivers of change and any planning assumptions in ensure that local experience and knowledge will be vital to feed into the next Hunter RLE (see update below).</p> <p>A potential subsequent step is to lead the scoping of a collaborative exercise with member councils, and key state agencies, of a Population Scenarios Workshop to inform both the next iteration of Hunter Regional Plan and the HJO's own strategic priorities. This is not currently a budgeted project.</p>
Standing Collaborations and stakeholder engagement	
Upper Hunter Economic Diversification Working Group	This sub-committee met on Friday 1 st November. An update on the Upper Hunter Economic Diversification Web Portal will be provided at the next meeting of the Hunter JO, as the CEO is in discussion with Regional NSW on this item.
Hunter RLE	The CEO provide a short report to and briefing at the November RLE on key current HJO activity that presented opportunity for local and state government collaboration, including:

	<ul style="list-style-type: none"> • Governance and implementation of the GNMP; • Establishing and Hunter 'Economic Transition' Foundation; • An approach to Regional Events, specifically a joint co-ordinating resource, akin to what the HJO has supported with the Regional NSW initiative on a Cruise Co-ordinator. <p>The next meeting of the Central Coast and Hunter Regional Leadership Executive (RLE) in late February will be a dedicated strategic session to understand the potential service delivery impacts of future growth across the region and to start to plan for whole of government responses. A key element will be to workshop the NSW 2019 Planning Projections released in December 2019 to consider potential impacts on planning, resources and service delivery.</p>
Advocacy / Collaboration / Stakeholder engagement since last board meeting	
Cruise Industry Working Group	<p>The Cruise Newcastle Committee met on 17 December for their monthly meeting. Current actions being addressed on this project by the Cruise Coordinator Sarah Foster are:</p> <ul style="list-style-type: none"> • Assessment of the overall cost of cruise coordination for the region to demonstrate overall spend • Stakeholder engagement with independent tour operators in the region accessing the cruise terminal, and assessing future engagement for improvement of processes for tour operators • Improving the operational interface for remaining cruise ships within the 2019-20 cruise season
OEM/HJO Hosting of Regional Position	<p>Interviews took place during December for the position of Regional Disaster Preparedness Officer, as part of the Disaster Preparedness Program being piloted out of Joint Organisations. A preferred candidate for the role is being considered currently.</p>
Tenterfield to Newcastle Corridor – Roads of Strategic Importance	<p>The Department of Infrastructure, Transport, Cities & Regional Development has reached out to the CEO and Chair of the Hunter JO to set up a consultation to establish a project priority list for upgrading of feeder roads that support greater access to main freight routes along the Tenterfield to Newcastle Corridor. A copy of this correspondence has been included at Attachments 2 & 3. The CEO is looking into dates for consultation. The Department will also be engaging with the two other Joint Organisations along this route to determine their priority projects along the corridor.</p>

Recommendation:

- **THAT the update report be received and noted.**

6.2 Financial Reports YTD December 2019

Report Author: Graham Dean, Administration & Finance Manager

Responsible Officer: Joe James, CEO

Executive Summary:

The Profit & Loss summary of the Hunter Joint Organisation for the year-to-date December 2019 is included below.

A discussion of the budget, year-to-date, and forecast occurs at Item 6.4 Budget Review.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Hunter Joint Organisation															
2	Profit & Loss Summary															
3	1 July 19 to 30 December 19															
4						December	December				YTD	YTD				Approved
5						Actual	Budget	Variance			Actual	Budget	Variance			Budget
6																2019/20
7																
8																
9	Hunter JO Admin															
10		Revenue				8,530	8,333	197			216,510	214,865	1,645			264,867
11		Expenditure				(32,895)	(45,116)	12,221			(343,686)	(368,582)	24,896			(658,005)
12																
13		Total Admin				(24,365)	(36,783)	12,418			(127,176)	(153,717)	26,541			(393,138)
14																
15																
16																
17	Hunter JO Projects															
18																
19		Brought fwd (DPC projects)				-	-	-			100,800	100,800	-			100,800
20																
21		Revenue				339,340	25,300	314,040			1,012,065	1,110,699	(98,634)			1,385,949
22		Expenditure				(286,260)	(25,300)	(260,960)			(978,440)	(1,211,499)	233,059			(1,486,749)
23																
24		Total Projects				53,080	-	53,080			134,425	-	134,425			-
25																
26																
27																
28		Surplus / (Deficit)				28,715	(36,783)	65,498			7,249	(153,717)	160,966			(393,138)

A full copy of the P&Ls for December 2019 is included at Attachment 9.

Recommendation:

That the Profit and Loss Statement for period ending December 2019 be received and noted

Report Author: Steve Wilson, Director

Responsible Officer: Steve Wilson, Director

HUNTER JOINT ORGANISATION STATUTORY FUNCTIONS

Intergovernmental Collaboration

Networks, meetings, workshops and forums that the Division has organised or participated in as a representative of the Hunter JO include:

Date(s)	Description	Convenor
30th January 2020	Meeting of Environmental Water Advisory Groups for the Hunter and Paterson Regulated Rivers	NSW Department of Planning, Industry and Environment (DPIE)
7th February 2020	Regional workshop – review of regional planning	Hunter Joint Organisation
7th February 2020	Regional briefing – National Housing Infrastructure Facility	Hunter Joint Organisation
31st January 2020	Hunter Catchment Flood Forum	DPIE
16th December 2019	Workshop: Regional opportunities to support development and delivery of Local Strategic Planning Statements	Hunter Joint Organisation
11th December 2019	Hunter – Central Coast Regional Waste Managers Group	Hunter Joint Organisation
11th December 2019	Regional UPSS Working Group	Hunter Joint Organisation
29th November 2019	Regional Waste Education Workshop	Hunter Joint Organisation
27th November 2019	Regional Workshop - Review of State Vegetation Type Map: Eastern NSW Plant Community Type (Revised Plant Community Types (PCTs) in Eastern NSW)	Hunter Joint Organisation and DPIE
27th November 2019	Regional Workshop - Hydraulic and cost benefit assessment of the impact of climate change on the Hunter Valley Flood Mitigation Scheme: Adaptation Pathways & Community Engagement	Hunter Joint Organisation and DPIE
26th November 2019	NSW UPSS Transition Committee	NSW EPA
26th November 2019	Smart Region Forum	Hunter Joint Organisation, City of Newcastle and Cities Leadership Institute
21 st November 2019	Newcastle Water Research Roadmap Consultation	Newcastle Institute for Energy and Resources (NIER)

Date(s)	Description	Convenor
21 st November 2019	Regional Coastal Management Working Group	DPIE & Hunter JO
15 th November 2019	Regional Population Workshop (with Regional Australia Institute)	Hunter Joint Organisation & Hunter Research Foundation
12 th November 2019	Adapt NSW Annual Forum	DPIE
5 December 2019	Greater Newcastle Metropolitan Plan Committee Meeting	Hunter Joint Organisation
3 rd December 2019	Communicating Disasters – Building Council Collaboration and Resilience	Hunter Joint Organisation
14 th November 2019	4th Annual National flying-fox Forum 2019	Various
6 th November 2019	RENEW & Sydney metro, Hunter, Illawarra-Shoalhaven combined regional waste coordinators meeting	NSW EPA

Regional Leadership and Advocacy

Regional Submissions

Date	Focus	Submitted to
December 2019	Review of NSW DPIE Discussion Paper “Model Conditions of Development Consent”	NSW DPIE
October 2019	Guideline Review “Consultants Reporting on Contaminated Land”	NSW EPA

Strategic Planning and Priority Setting

Local Strategic Planning Statements

The Division convened a regional workshop with Councils in December to:

- Facilitate cross Council communication and information sharing on LSPS development
- Confirm priority regional scale issues and potential solutions (e.g. regional resources, joint studies or programs) to support Councils with LSPS delivery, and the process through which these can be integrated within the current LSPS development process

Communications and Media

- Regional Community Recycling Centre radio advertising campaign on 102.1 Triple M commenced February 2020.
- Regional Waste Education program - “Small Acts Big Change” – has commenced an online campaign with 5 short videos shared via social media.

RESILIENCE

Regional Contaminated Land Program

Update of Model Regional Contaminated Land Policy

The *Model Regional Contaminated Land Policy – Land Use Planning*, template upon which the majority of local contaminated land policies in the region are based, has recently been updated and redistributed to Councils. Amendments are relatively minor but ensure that the Model Policy is consistent with current NSW legislation and policy requirements.

Regional UPSS Working Group

The Division has recently established this regional working group to support Councils to effectively and consistently implement their new regulatory responsibilities under the *Protection of the Environment Operations (Underground Petroleum Storage Systems) Regulation 2019*.

Disaster Resilience

Regional Disaster Preparedness Officer

Recruitment is nearing completion for the role of Regional Disaster Preparedness Officer. To be employed by the NSW Office of Emergency Management and based in the JO, the role will be one of three piloted around the State to:

- Increase council capability to prepare, respond to and recover from disasters
- Improve collaboration between local councils and agencies
- Strengthen Council local emergency management plans
- Establish local recovery plans
- Identify priority systems, strategies and investments (within and across Councils) to mitigate risks
- Integrate climate change adaption strategies into emergency management systems
- Establish regional networks focused on building Council and community resilience.

Regional Workshop: Communicating Disasters - Building Council Collaboration and Resilience

In December the Division hosted a workshop to support and build capacity of member Councils to deliver disaster focused communications. Real life disaster experiences and scenarios were used to:

- Challenge knowledge and understanding of the role of staff and Councils more broadly in communicating before, during and after disasters
- Build capacity, capability, communication and cooperation within Council teams and across Councils to support local and regional disaster communications
- Identify key gaps in information and processes with the potential to affect Councils ability to communicate effectively
- Provide direct input to the development of communication materials and tools for Councils to address identified gaps and needs.

Workshop outcomes are now informing design and development of a package of disaster focused communications materials for the use of Councils.

RESOURCE RECOVERY

Circular Economy

Regional Recycling Solution

Progress on this project, led by Lake Macquarie City Council, continues with the expanded consultants (MRA) report on regional recycling viability due in March 2020.

Regional Organics Processing Solution

Leveraging off the work developed out of Newcastle University on the Hunter BioValley concept and the HJO's Regional Material Flow Analysis, a regional organics processing solution is being investigated, called Hunter BioCircular. A Circular Economy approach is being taken to the current processing of organics to develop innovative approaches to organics collection, processing and product development.

Regional Material Flow Analysis Project

This project to develop a baseline of waste material flows across the Hunter & Central Coast Waste Region is nearing finalisation.

A draft report and database tool are now complete. The database tool is currently being tested before the public release of the report and database tool in late February / early March 2020.

Circular Economy Eco-system Project

The project aims to:

1. Gain an understanding of the status of the Circular Economy eco-system in the Hunter Central Coast region, as it relates to waste streams and resource recovery.
2. Improve the regional knowledge base of the Circular Economy.
3. Improve opportunities to collaborate and develop the regional economy in general.

The report is now finalised, while the accompanying database and website is still being tested. The report and database are scheduled for public release at the end of February 2020.

Regional Waste Education

Community Recycling Centres

The Division has established a regionally coordinated approach to promoting community awareness of Community Recycling Centres (CRC's). A regional communications plan has been approved by the NSW EPA and Councils, with implementation underway featuring a series of radio advertisements broadcast on 102.9 Triple M. A community survey has been developed and rolled out to ensure ongoing evaluation of the education program.

Recommendation:

- **That the report be received and noted.**

6.4 Hunter JO Budget Review for 2019-20

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

At the Hunter JO's Extraordinary Meeting of Thursday 6 June 2019, the Board passed the following resolutions;

THAT Option A in the report be adopted as the interim budget model for the 2019-20 financial year; using a fixed membership fee model of \$20,000 per council and assuming current membership rebates remain;

THAT, noting the previous resolution for a balanced budget, adopted at the Joint Organisation Board meeting of 9 May 2019, and noting the anticipated response from the NSW State Government on Joint Organisation funding, a six-month review of the 2019-20 budget be undertaken in January 2020, to ensure a balanced budget is delivered by the end of financial year.

Since the adoption of these resolutions in June, NSW State Government, through the Office of Local Government, have asked for submissions from Joint Organisations for the 'Joint Organisations Capacity Fund' (as discussed in Item 7.5). Aside from this fund, no further ongoing funds have been offered for the sustainability of Joint Organisations.

A budget review for the 2019-20 financial year, to ensure that a balanced budget can be delivered by the end of the financial year. A copy of the Budget Review, as of 23 January 2020, has been included at Attachment 10.

Budget Review Commentary:

There are some key differences that should be noted between the budget proposed and endorsed as the 'interim budget model' by the Board at their meeting of 6 June 2019.

Significant differences include:

- Forecasted salaries;
 - The amount of approximately \$60,000 (YTD) that was forecasted for a Policy Officer Role was not used, as a Policy Officer has not been recruited. Partial use of these funds was endorsed for engaging Tim Ryan of Ilume Consulting to complete Strategic Planning for the Hunter JO. During the Strategic Planning Process however, it has become clear that recruitment of a Policy Officer must be prioritised, therefore funds towards this role have been factored into the Budget Review from April onwards as a necessity.
 - As the role of a Comms & Marketing Officer was not filled until later in the year, and was then shared as a resource between the Hunter JO and SSA, funds for this role were not fully used as forecast.
- Project funds;
 - The Hunter JO committed the use of \$30,000 for the Hunter BioValley Project within the 2018-19 financial year. However, the Hunter JO was not invoiced for this project until the 2019-20 financial year, impacting on the forecasted budget.
 - The Hunter Economic Transition Project had not been forecasted into the proposed budget for the 2019-20 year.
 - An additional \$10,000 has been included as a consultant fee for progressing the Regional Events Strategy
- Additional Funds; As the Hunter JO have submitted their application to the 'Joint Organisations Capacity Fund' through OLG, the budget review has taken this into account, assuming the addition of \$150,000 to be distributed as per the Additional Funding Submission (see Item 6.6).

With these variances, the Budget Review predicts a shortfall of \$383,325.

As per the resolution at the June 2019 meeting of the Hunter JO, \$300,000 of unspent Project Funds will be carried over from the 2018-19 financial year. This leaves a remaining deficit of \$83,325.

In order to fund the remaining deficit of \$83,325, three options are available. These options were considered by GMAC at its recent meeting on 31 January;

- Option 1: Request an additional contribution from Strategic Services Australia Limited to fund the deficit
- Option 2: Fund the deficit by splitting it evenly across the 10 member councils
- Option 3: Fund the deficit by splitting it between member councils based on their population or total rate yield

After considering:

1. The timing of this budget review within the fiscal year of each of our member councils;

2. The year-to-date budget performance of Strategic Services Australia Limited (including its wholly owned subsidiary Hunter Councils Legal Pty Limited), which is ahead of budget;

GMAC recommends that for the 2019-20 financial year the budget deficit be funded using Option 1 up to a cap of \$100,000.

A key assumption remains OLG funding of \$150,000. If this does not occur, the CEO will report to the Board immediately, out of session, on options to balance the budget for this financial year.

RECOMMENDATION:

THAT:

- 1. The Hunter JO Board request the remaining deficit at the end of the 2019-20 financial year to be funded by Strategic Services Australia Limited, up to a cap of \$100,000; and**
- 2. Once advised of the outcome of the OLG funding application, the CEO is to communicate the outcome to the Board immediately**

Report Authors: Joe James, CEO, and Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Prior to the meeting at which this report will be presented, the Board will engage in a further strategy session. Within the context of the Board's vision for the Hunter JO and the Hunter JO Strategic Plan, the strategy session will focus on the future alignment of: (1) the scope and level of organisational activity; and (2) the resourcing to support this activity.

To support both the strategy session, and complementary to the budget discussion in the previous paper (Item 6.4), a series of funding scenarios have been developed for the Hunter JO's 2020-21 financial year. A decision on a preferred funding envelope and funding mix will enable a formal budget and a rolling 90 day plan to be developed for the next board meeting in April.

Context for decisions

As was experienced in the 2019-20 financial year, the core costs for the Hunter JO cannot be funded sustainably at the current level of member contributions.

There is general consensus amongst members that, at current funding levels, and without greater forward certainty on funding, the core capacity of the Joint Organisation does not align with the ambition of the Hunter JO Strategic Plan as currently drafted.

Currently there are three sources of funding for the Hunter JO core capability and which are discussed below:

1. Surplus profits generated in Strategic Services Australia Limited (SSA);
2. Capital reserves from SSA; and
3. Member subscriptions;

The role of SSA Surplus Profits

For the 2019-20 financial year, as in prior years, SSA has provided a financial contribution to the Hunter JO from its surplus profits, and it is the proposed outcome of the SSA Strategic Planning Process that this continue, with the aim to increase the surplus provided to the Hunter JO over time.

The Board of SSA has adopted a strategy (**SSA Strategy** - see Attachment 11), which is provided for the HJO Board's reference, to support this aim. The direction adopted by the SSA Strategy is to: (1) grow and/or acquire new businesses, in its core market of local government; and (2) re-invest in the existing business, as the optimum path to maximise profit for sustainable financial contribution to the Hunter JO. The strategy anticipates that there will be a three year turn-around period where the minimum contribution from SSA is forecast as follows:

Year 1: \$100,000 SSA contribution (2020-21)

Year 2: \$200,000 SSA contribution (2021-22)

Year 3: \$400,000 SSA contribution (2022-23)

At the heart of the strategy is the conclusion that, beyond these turn-around years, this approach has significantly more potential to grow SSA's long-term contribution to HJO, enabling HJO to play an increasing role in adding value to the region.

The role of SSA Capital Reserves

Capital reserves have been used to fund the first two years of the Hunter JO's operation. In FY2018-19 SSA provided a contribution to the Hunter JO of \$545,000. Of this contribution approximately

\$485,000 was a 'drawdown' on capital reserves. The unspent portion of these funds (\$300,000) carried over was used to fund the Hunter JO this financial year (FY19-20).

SSA currently holds approximately \$4m in capital reserves that is currently invested in a Notice Saver Account (a form of rolling term deposit).

The CEO and the Board have previously acknowledged and agreed that depleting capital reserves, in the absence of a plan for financial sustainability, was not an acceptable long term strategy.

With the adoption of the SSA Strategy, which aims to increase SSA's contribution from surplus profits, there is an opportunity to consider short term use of capital reserves while SSA effects its turn-around.

As with the initial drawdown of capital reserves, a further 'investment' in the Hunter JO is, in effect, an investment in the capability of the region to create strategic regional 'assets' in the form of positive policy changes and/or attracting additional regionally focused funding.

The role of member contributions

In order to build a sustainable funding model for the Hunter JO and, depending on desired strategic outcomes of the Board, to possibly build the future capacity of the organisation, it is necessary that the financial model for member contributions be adjusted to substantially, if not entirely, fund its core budget of the Hunter JO.

The question of the preferred funding envelope has been the subject of discussion for the Hunter JO's strategic planning process, with a view to potentially increasing the capacity of the Hunter JO to address its strategic priorities.

With this in mind, four different core funding scenarios have been presented in Attachment 12, with varying degrees of resourcing and projects factored into each, as presented below in Appendix 1.

The scenarios should be used to guide the consideration of the Board in its decisions on a preferred funding envelope and funding mix. It is not intended that the Board must adopt a specific scenario. It should also be noted that the projects listed are indicative only and will be discussed in the strategy session.

Appendix 1 – Hunter JO Core Funding Scenarios 2020-21

Model	Status Quo Model	Basic Model	Mid-Range Model	Full Delivery Model
Resource outcome	Total Employment <ul style="list-style-type: none"> 0.5 x CEO 0.5 x Executive Assistant 0.5 x Communications resource 1 x Regional Policy & Programs Officer 	Total Employment <ul style="list-style-type: none"> 0.5 x CEO 0.5 x Executive Assistant 0.5 x Communications resource 1 x Regional Policy & Programs Officer 	Total Employment <ul style="list-style-type: none"> 0.5 x CEO 0.5 x Executive Assistant 0.5 x Communications resource 2 x Regional Policy & Programs Officer 0.5 Admin Officer 0.5 Director role 	Total Employment <ul style="list-style-type: none"> 0.5 x CEO 0.5 x Executive Assistant 0.5 x Communications resource 4 x Regional Policy & Programs Officer 0.5 Admin Officer 0.5 Director role
Assumptions / Comments	<ul style="list-style-type: none"> Current funding model sets member contributions at approx. \$165,000, \$100,000 from SSA Surplus, Contribution from SSA Surplus as follows: <ul style="list-style-type: none"> Year 1: \$100,000 SSA contribution (2020-21) Year 2: \$200,000 SSA contribution (2021-22) Year 3: \$400,000 SSA contribution (2022-23) Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$510,000 SSA contribution (2020-21) Year 2: \$410,000 SSA contribution (2021-22) Year 3: \$210,000 SSA contribution (2022-23) 	<ul style="list-style-type: none"> In order for the basic model to be financially sustainable, member contributions would need to address the difference between SSA surplus and operating costs until 2022-23, Member contributions would be as follows <ul style="list-style-type: none"> Year 1: \$675,000 (2020-21) Year 2: \$575,000 (2021-22) Year 3: \$375,000 (2022-23) Contribution from SSA Surplus as follows: <ul style="list-style-type: none"> Year 1: \$100,000 SSA contribution (2020-21) Year 2: \$200,000 SSA contribution (2021-22) Year 3: \$400,000 SSA contribution (2022-23) 	<ul style="list-style-type: none"> Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$752,500 (2020-21) Year 2: \$752,500 (2021-22) Year 3: \$752,500 (2022-23) Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$100,000 SSA contribution (2020-21) Year 2: \$200,000 SSA contribution (2021-22) Year 3: \$400,000 SSA contribution (2022-23) Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$300,000 SSA contribution (2020-21) Year 2: \$200,000 SSA contribution (2021-22) Year 3: \$Nil SSA contribution (2022-23) 	<ul style="list-style-type: none"> Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$1,144,500 (2020-21) Year 2: \$1,144,500 (2021-22) Year 3: \$1,144,500 (2022-23) Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$100,000 SSA contribution (2020-21) Year 2: \$200,000 SSA contribution (2021-22) Year 3: \$400,000 SSA contribution (2022-23) Contribution from SSA Capital Reserves as follows: <ul style="list-style-type: none"> Year 1: \$300,000 SSA contribution (2020-21) Year 2: \$200,000 SSA contribution (2021-22) Year 3: \$Nil SSA contribution (2022-23) Recruitment of additional Regional Policy & Programs Officers to be a staged process
Comments	<ul style="list-style-type: none"> This scenario: <ul style="list-style-type: none"> Provides no change to current capability or capacity Represents a depletion of 25%+ of the SSA capital reserves within three years with a potential ongoing annual deficit (until SSA Surplus reaches \$510,000) Is likely incompatible with the SSA Strategy or at least poses a greater risk than alternative options 	<ul style="list-style-type: none"> This scenario: <ul style="list-style-type: none"> Provides no change to current capability or capacity Does not pose a risk to the SSA capital reserve or the goals of the SSA Strategy 	<ul style="list-style-type: none"> This scenario: <ul style="list-style-type: none"> Improved capability and capacity to deliver more of the HJO Strategic Plan, as per 'Indicative Projects' (below) Increased capacity through this model would only rely on SSA capital reserves for two years 	<ul style="list-style-type: none"> This scenario: <ul style="list-style-type: none"> Improved capability and capacity to deliver the whole suite of activities in the HJO Strategic Plan over three years Increased capacity through this model would only rely on SSA capital reserves for two years
Indicative Projects	Year 1 (Beyond delivery of current projects of Hunter JO & Environment Division); <ul style="list-style-type: none"> Hunter Economic Transition Events Strategy and coordination Drive local government role in delivery of GNMP Upper Hunter Economic Diversification Project Action Plan Regional population and migration strategy 	Year 1 (Beyond delivery of current projects of Hunter JO & Environment Division); <ul style="list-style-type: none"> Hunter Economic Transition Events Strategy and coordination Drive local government role in delivery of GNMP Upper Hunter Economic Diversification Project Action Plan Regional population and migration strategy 	Year 1 (Beyond delivery of current projects of Hunter JO & Environment Division); <ul style="list-style-type: none"> Hunter Economic Transition Events Strategy and coordination Drive local government role in delivery of GNMP Upper Hunter Economic Diversification Project Action Plan Regional population and migration strategy Develop a regional economic development plan Circular Economy Project – Recycling – Hunter ReCircular Circular Economy Project – Organics – Hunter BioCircular Infrastructure List – Hunter Priorities City Deal / Intergovernmental Projects 	Year 1 (Beyond delivery of current projects of Hunter JO & Environment Division); <ul style="list-style-type: none"> Hunter Economic Transition Develop a regional economic development plan Circular Economy Project – Recycling – Hunter ReCircular Circular Economy Project – Organics – Hunter BioCircular Infrastructure List – Hunter Priorities Events Strategy and coordination Drive local government role in delivery of GNMP Upper Hunter Economic Diversification Project Action Plan Regional population and migration strategy City Deal / Intergovernmental Projects Smart Region Project Hunter Region Agricultural Plan Transport connectivity project
Indicative Funding	\$775,000	\$775,000	\$1,152,500	\$1,544,500

The funding arrangements around each of these models would be dependent upon a combination of contributions from member councils, SSA, and possible use of SSA capital reserves.

As a guiding principle it is proposed that any use of SSA capital reserve be capped to match the forecasted minimum SSA contributions for the 2022-23 financial year of (\$400,000). Put simply, this would cap contributions from SSA capital reserve at \$300,000 in the Hunter JO budget for 2020-21, \$200,000 in the Hunter JO budget for 2021-22, with no need for a capital contribution in 2022-23 financial year for the Hunter JO. This has been shown in Appendix 1 as part of the Mid-Range and Full Operational Models. This allows for the Hunter JO to benefit from increased profitability of SSA over time, while still creating a consistent baseline for contributions from member councils.

The different budget scenarios presented in Appendix 1 show very different levels of resourcing and capacity that will shape the remit of the Hunter JO in its operations. The capacity that these different scenarios allow is illuminated by use of a list of Indicative Projects. These Indicative Projects will be discussed further in the strategy session

For context the Indicative Project List has been drawn from and prioritised using the HJO Strategic Plan and common regional priorities drawn from member Council's draft Local Strategic Planning Statements, and those aligned with Greater Newcastle Metropolitan Plan, Hunter Regional Plan, and Committee for the Hunter Priority List

Member Contribution Models:

The recommendation from GMAC is that the funding model for member contributions be comprised of a fixed and variable component, as was similarly discussed in the Hunter JO Extraordinary Meeting of 6 June 2019. Three options for the make-up of these fixed and variable components have also been presented below:

- Option A: Using a fixed membership fee (of either \$10K or \$15K) per council, and a variable fee (with the variable component determined by 50/50 split between total population and total rate yield per council)
- Option B: Using a fixed membership fee (of either \$10K or \$15K) per council, and a variable fee (with the variable component determined by population per council)
- Option C: Using a fixed membership fee (of either \$10K or \$15K) per council, and a variable fee (with the variable component determined by total rate yield per council)

It is recommended that the best option for member contribution models would be Option A, in that the variable component takes into consideration the varied nature of the council areas, leaving no one council at a significant disadvantage on either population or rate yield. With this in mind, Option A has been used in the financial modelling for each of the Core Budget Scenarios, with variants between the fixed fee shown for both \$10,000 and \$15,000. A table of the indicative member fees according to each of the proposed models has been included at Appendix 2.

Appendix 2 – Indicative Member Contribution Models 2020-21 Financial Year by Model

Status Quo Model – Year 1

Member	Fixed fee \$10k, plus variable hybrid rate (based on 50/50 rates and population)	Fixed fee \$15k, plus variable hybrid rate (based on 50/50 rates and population)
Cessnock	\$14,768	\$16,100
Dungog	\$10,756	\$15,174
Lake Macquarie	\$27,118	\$18,950
Maitland	\$17,133	\$16,646
Mid-Coast	\$18,566	\$16,977
Muswellbrook	\$11,697	\$15,392
Newcastle	\$25,717	\$18,627
Port Stephens	\$15,741	\$16,325
Singleton	\$12,200	\$15,508
Upper Hunter	\$11,304	\$15,301
Total Membership Fees:	\$165,000	\$165,000
SSA contribution	\$100,000	\$100,000
SSA Capital Reserves Contribution	\$510,000	\$510,000
Total Budget 2020-21	\$775,000	\$775,000

Basic Model - Year 1

Member	Fixed fee \$10k, plus variable hybrid rate (based on 50/50 rates and population)	Fixed fee \$15k, plus variable hybrid rate (based on 50/50 rates and population)
Cessnock	\$52,179	\$53,511
Dungog	\$16,684	\$21,103
Lake Macquarie	\$161,432	\$153,264
Maitland	\$73,098	\$72,612
Mid-Coast	\$85,774	\$84,185
Muswellbrook	\$25,015	\$28,710
Newcastle	\$149,032	\$141,942
Port Stephens	\$60,783	\$61,367
Singleton	\$29,464	\$32,771
Upper Hunter	\$21,538	\$25,535
Total Membership Fees:	\$675,000	\$675,000
SSA contribution	\$100,000	\$100,000
SSA Capital Reserves Contribution	Nil	Nil
Total Budget 2020-21	\$775,000	\$775,000

Mid Range Model - Year 1

Member	Fixed fee \$10k, plus variable hybrid rate (based on 50/50 rates and population)	Fixed fee \$15k, plus variable hybrid rate (based on 50/50 rates and population)
Cessnock	\$57,864	\$59,196
Dungog	\$17,585	\$22,003
Lake Macquarie	\$181,842	\$173,674
Maitland	\$81,603	\$81,116
Mid-Coast	\$95,987	\$94,398
Muswellbrook	\$27,039	\$30,734
Newcastle	\$167,771	\$160,682
Port Stephens	\$67,628	\$68,212
Singleton	\$32,087	\$35,395
Upper Hunter	\$23,093	\$27,090
Total Membership Fees:	\$752,500	\$752,500
SSA contribution	\$100,000	\$100,000
SSA Capital Reserves Contribution	\$300,000	\$300,000
Total Budget 2020-21	\$1,152,500	\$1,152,500

Full Operational Model – Year 1

Member	Fixed fee \$10k, plus variable hybrid rate (based on 50/50 rates and population)	Fixed fee \$15k, plus variable hybrid rate (based on 50/50 rates and population)
Cessnock	\$86,619	\$87,951
Dungog	\$22,141	\$26,560
Lake Macquarie	\$285,079	\$276,911
Maitland	\$124,619	\$124,133
Mid-Coast	\$147,645	\$146,056
Muswellbrook	\$37,276	\$40,970
Newcastle	\$262,555	\$255,465
Port Stephens	\$102,249	\$102,833
Singleton	\$45,357	\$48,664
Upper Hunter	\$30,959	\$34,956
Total Membership Fees:	\$1,144,500	\$1,144,500
SSA contribution	\$100,000	\$100,000
SSA Capital Reserves Contribution	\$300,000	\$300,000
Total Budget 2020-21	\$1,544,500	\$1,544,500

In order to move forward with delivering a draft budget and an initial 90 day rolling plan to the Hunter JO Board for the 2020-21 financial year at the Board's April Meeting, determination of both the funding envelope for the organisation, as well as the preferred funding mix needs to be set by the Board.

RECOMMENDATION:

- 1. THAT the Hunter JO Board determine its preferred:**
 - a. funding scenario (including agreeing an indicative funding envelope, if different from a modelled scenario) for the organisation for FY20-21 ;**
 - b. funding mix between total member contributions and capital reserves (including amounts if different the amounts nominated in a modelled scenario); and**
 - c. member funding model (being the fixed amount of any member contribution and the basis of calculation of the variable component)**
- 2. THAT a draft budget for FY20-21 based on the above determinations, to be presented to the Board at its April meeting.**

6.6 Additional JO Funding Update

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Report:

As per the recommendation endorsed by the Hunter JO Board in their November 2019 meeting, a submission was prepared in response to the Joint Organisations Capacity Fund from the Office of Local Government (OLG).

Initially the funding was sought to support the Hunter Economic Transition Foundation Project. Following feedback from OLG, the application will seek funding to both support and utilise the Stakeholder Engagement and Communications elements of the Hunter Economic Transition Foundation Project to develop internal capability and tools for future use.

A draft submission was provided to OLG in late November, which has been included at Attachment 13.

A breakdown of how the funds would be used can be found below;

- \$50,000 towards the accelerated engagement of a Regional Program & Policy Officer (rather than at the financial year budget cycle for 1 July 2020). Accelerated engagement of this role is a critical enabler to support of the building and retention of internal stakeholder engagement and alignment capability, development of tools including stakeholder management template, media engagement policy & procedure.
- \$30,000 – Communications – being the budgeted allowance for expert communications consultants components of foundation establishment budget
- \$48,000 – Stakeholder Engagement – being the budgeted portion contractor time to be spent on stakeholder engagement as part of the Strategic Project.
- \$7,000 – Database Development – resource cost of consolidating and updating existing databases for the organisation.
- \$15,000 – Project Administration (@10%).

OLG have provided some comments back to the Hunter JO on the submission, which are currently being addressed by the CEO and members of the Environment Division. OLG will then be considering all submissions in February 2020

RECOMMENDATION:

- **THAT the update be noted.**

6.7 Hunter Economic Transition Foundation Update

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

The Board will be provided with a briefing on progress in the Hunter Transition Foundation project by Joe James and Jack Archer. This paper provides an update for the Board on project progress and next steps.

First Round Consultation Outcomes

Joe James and Jack Archer have completed an initial round of consultation on the Foundation project with key players in Hunter Industry including AGL, Port, Airport, Mining Companies with transitioning assets, State and Federal Ministers, MPs and Departments, the University of Newcastle as well as other local organisations such as Hunter RDA, Committee for the Hunter and Hunter Renewal. A list of the stakeholders consulted with in this first round has been included at Attachment 14.

Initial consultations have focussed on briefing each of these important stakeholders on the intent of the project and discussion of the need for the Foundation, its proposed objectives and potential activities.

Feedback across these conversations has been excellent. The initiative taken by the HJO on the project and the collective commitment from Local Government to lead on this issue is appreciated as is the collaborative approach and early engagement to shape the Foundation proposal. Across the stakeholders engaged, there is widespread agreement that:

- It is essential to for the region to be proactive and move early on these issues. This means acting now when economic conditions are strong and known closures are still several years away.
- The collective leadership of local government through the Hunter Joint Organisation working in partnership with other levels of government and industry is the best way to act regionally on these issues.
- The proposed objectives and scope of activities make sense and cover the range of issues others are seeing as a priority in the region.
- Whilst industry and government already have plans and initiatives in place there are important gaps that could be filled by the Foundation in each priority area and better coordination and leadership of the regional effort is essential to success.
- The organisation should be a practical one rather than being primarily an advocate or research initiative. Advocacy roles are already well supported by the HJO, Hunter RDA and the newly formed Committee for the Hunter. Stakeholders agree that the Foundation should:
 - seek to catalyse real progress on securing investment in new projects, redeveloping land and establishing new precincts that are hubs for future jobs and supporting businesses and workers to change is the key to success.

- have an operating model that once established will be self-sustaining and be able to contribute to future projects for the community, rather than relying on regular government grants or local membership contributions to fund its operations.

Overall the consultations have revealed a significant level of agreement about the need for progress on transition issues amongst a very diverse range of stakeholders. There is a preparedness to work in collaboration with HJO and others to better prepare the Hunter for the future.

Given how divisive these issues are nationally and internationally and the diversity of industry, government and community groups expressing a willingness to collaborate this represents a unique opportunity for HJO and Hunter communities.

Developing the Model for the Foundation

Alongside the consultation, the project team has made significant progress in the development a proposed model for the Foundation. This includes work to define the governance structure, corporate strategy and the resources needed during the establishment phase of the organisation and the partnerships that will be sought that to enable establishment and development.

This will be provided for to the Working Group and Steering Committee for detailed review and discussed with key industry and government partners prior to being brought to the Board for consideration and approval.

Next Steps

The team will work with the Working Group and Steering Committee to provide the Board with a proposal for approval at the next Board meeting in April.

Prior to the next meeting the project team will:

- Publicly announce the project and the HJOs work to form the Foundation to increase community awareness of the project
- Finalise the proposed Model for Foundation and develop necessary establishment documents
- Engage potential government and industry partners to seek formal support for the establishment of Foundation
- Prepare the letter seeking approval from the Minister for Local Government for HJO to establish the Foundation

Background

As per the resolution of the Hunter JO Board at its meeting of 14 November 2019, the Hunter JO has agreed to invest in a project to explore the establishment of a Hunter Economic Transition Foundation.

Since this resolution was passed, AGL have agreed to provide funding toward the establishment of the committee, to the amount of \$120,000 (as per item in Correspondence). Hunter JO have invoiced AGL for the first instalment of these funds as of November 2019.

The next meeting of the Regional Economic Transition Steering Committee will be planned to take place during February.

The CEO is also joining a number of member councils and other regional stakeholders on a visit to the La Trobe Valley to deepen our understanding of one of the higher profile examples of recent regional transition.

RECOMMENDATION:

- **THAT the update be noted.**

6.8 Regional Events Strategy

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Following the CEO's report on engagement with external stakeholders involved in the development of the 'Hunter Events Strategy' report (December 2018), the HJO has been working on evolving the proposal to provide an option more consistent with the HJO's current capability.

This report provides an update on that work to the Hunter JO in order to seek feedback on next steps.

Specifically, the CEO has worked with James Paterson of MI Associates (a specialist consultant on sports, arts, culture and tourism projects) to complete a review of the Hunter Events Strategy, in light of member council and stakeholder feedback, and develop options that enable the stakeholders to progress the strategy.

Progress on this process is set out in the report that has been provided at Attachment 15.

The report from MI Associates remains in draft subject to feedback from the CEO regarding:

- The need to highlight any risks, and risk mitigations, of the proposed approach;
- The opportunity to have the proposed 'event capability' part funded by DSSN or others;
- Development of an indicative budget envelope.

Irrespective of the draft nature of the report, the option is sufficiently developed to take feedback from the Board on the strategic direction that it proposes.

The report was considered by GMAC at its recent meeting on 31 January. GMAC discussed the recommendations of the report, and the possibility of exploring funding partnership options to deliver the model proposed.

RECOMMENDATION:

- **THAT the Hunter JO Board provide in-principle support for the strategic direction presented in the MI Associates Report, to allow exploration of funding and partnership options**

6.9 Common Ground – Compass Housing Project

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Compass Housing has approached the Hunter JO for endorsement of the Regional Homelessness Strategy: Common Ground Proposal. Compass Housing are planning to present this proposal to the State Government, and would like to include a statement of support from the Hunter JO. This project aligns with the Hunter JO Strategic Plan 2018-21 (Actions Items 1.2 & 1.3) regarding housing affordability and inclusivity for our region's communities.

Below is the proposed statement from Compass Housing;

“The Hunter Joint Organisation of Councils and its constituent members support the development of a Regional Homelessness Strategy proposed by the Big Ideas Homelessness Network. The proposal identifies a core, Newcastle located Common Ground modelled facility, supporting regional satellites that allow people experiencing homelessness to remain in their home area. Based on Housing First principles the strategy will address chronic homelessness in the region and provide affordable housing outcomes.”

This request follows Compass’s presentation to the JO Board in May 2019 and subsequent engagement with council representatives to workshop strategic options in the context of the ‘Common Ground’ model.

Listed below is a record from Compass Housing regarding the attendees by council area from its most recent engagement:

Maitland City Council

Laurie D’Angelo – Manager Culture, Community & Recreation

Judy Jaeger – Culture, Community & Recreation Group Manager

Newcastle City Council

Cr Peta Winney-Bartz – Councillor Ward 3

Lisa Davis – Community Planner (Community Safety)

Lake Macquarie City Council

Cr Nick Jones – Deputy Lord Mayor

John Ferguson – Director, Service Delivery

Stephen McAlister – Coordinator, Social & Community Planning

Upper Hunter Shire Council

Kerri Cone – Manager, Community Services

Singleton Council

David Baker – Senior Socio-Economic Planner, Community Strategy & Engagement

Muswellbrook Shire Council

Carolyn O’Brien – Manager Community Services

Cessnock City Council

Johanna Dennis – Principal Community Planner from Cessnock City Council is in support, however couldn’t make the meeting. They couldn’t send a representative on the day.

Port Stephens Council

No attendees from Port Stephens Council, however, Compass have indicated that Kate Washington MP is supportive.

RECOMMENDATION:

- **THAT the above statement be endorsed by the Hunter JO Board for inclusion in the Regional Homelessness Strategy: Common Ground Proposal.**

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

As per the OLG Calendar of Compliance and Reporting Requirements, the submission of the Annual Performance Report 2018-19 for the Hunter JO was due for submission to OLG on 28 December 2019. The draft report was provided by the CEO to OLG noting that it had not yet been to the board given the change in guidance that that this report was not optional as previously advised.

The draft Annual Performance Report 2018-19 has been included at Attachment 16 for review.

In keeping with the OLG Calendar, the preparation and publication of the Statement of Strategic Regional Priorities on the Hunter JO's website was also due to be completed by 31 December 2019. As the Hunter JO's Strategic Plan spans 2018-2021 this requirement has already been completed.

The Annual Performance Report 2018-19 addresses the progress that the Hunter JO has made on these Strategic Regional Priorities. It is therefore proposed that with approval of the Annual Performance Report 2018-19, this document be published on the Hunter JO's website alongside the Strategic Plan 2018-21.

RECOMMENDATION:

- **THAT the Hunter JO's Annual Performance Report 2018-19 be endorsed for delivery to the Office of Local Government and for publication on the Hunter JO Website.**

6.11 Hunter JO Pecuniary Interest Disclosures

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Report

In keeping with the OLG Calendar of Compliance and Reporting Requirements, Pecuniary Interest returns for voting members of the Hunter JO were called for and provided to the CEO in late 2019.

It is a requirement of OLG that these be noted within a Hunter JO Board Meeting by the Executive Officer and the Board.

RECOMMENDATION:

- **That the lodging of Pecuniary Interest returns for voting members of the Hunter JO and designated persons be noted and tabled.**

6.12 HJO Branding: Marketing & Communications Update

Report Author: Louisa Bulley, Executive Assistant to the CEO

Responsible Officer: Joe James, CEO

Report:

Since the last meeting of GMAC and circulation of the Hunter JO Branding report from Xanthe Addison, a number of actions mentioned in this report have continued to progress.

In response to the priority action to "Develop an engaging online presence..." identified in the Hunter JO's Strategic Plan 2018-2021 (Action Item 1.1), the development of a new website for the

Hunter JO is well underway. This will incorporate the usage of a new URL (www.hunterjo.com.au) as endorsed by GMAC and the Hunter JO Board in 2019 and will seek to promote both the statutory and advocacy aspects of the Hunter JO's role.

Corporate and promotional photography of the Hunter JO Board and of its staff, as well as staff of the SSA Business Divisions is also underway. The majority of photography for the Board was taken at the Hunter JO meeting of 12 December 2019, with staff photos planned for late February/early March. The Hunter JO Executive Assistant will also be reaching out to member councils for photos of the region that can be used on the updated website.

An updated logo for the Hunter JO is also being developed to align with the launch of the website, and to be used for future communications and marketing for the Hunter JO. This is due to be completed for endorsement by the Board in its April meeting.

Development of a corporate and combined database is also underway for the Hunter JO and the SSA Business Divisions. This will support improved engagement with the wide range of stakeholders within the region, and engagement with Commonwealth & State Government, as well as industry, on the various projects underway by the Hunter JO.

RECOMMENDATION:

THAT the update be noted.

7. Matters Raised by Voting & Non-Voting Representatives

7.1 Cities Power Partnership Briefing Paper

Report Author: Tim Askew, Acting Director – Environment Division

Responsible Officer: Tim Askew, Acting Director – Environment Division

The Cities Power Partnership is Australia's largest local government climate network, made up of 123 councils from across Australia; the local government areas of 7.5 million people which are committed to a sustainable, non-polluting energy future. There are no costs associated with joining the Cities Power Partnership program.

The following Hunter and Central Coast Councils are existing Cities Power Partners:

- Upper Hunter Shire Council; The City of Newcastle; Muswellbrook Shire Council; Midcoast Council;
- Central Coast Council
- Lake Macquarie City Council membership is currently under consideration.

Each member council of the Cities Power Partnership must commit to implement five pledge items (see Attachment 17) across the following areas:

- renewable energy
- energy efficiency
- sustainable transport and
- community advocacy/working together

The Cities Power Partnership supports councils to action their pledges with knowledge resources and encourages knowledge sharing between members through an online hub of over 200 resources, webinars, briefings, community events, and analytics tool to track emissions, energy and cost savings of projects. Councils can also access support from local and international experts, events with other climate and energy leaders and help to get local climate and energy projects up and running.

The program focusses on supporting and celebrating the emissions reduction successes of local councils and connects local councils with shared emissions reduction project interests across the pledge areas with dozens of actions that councils can choose from, for example; putting solar on the local library, switching to electric buses, or opening up old landfills for new solar farms.

Cities Power Partnership is part of the Climate Council, with an online reach of more than 8 million people per month, which helps councils profile their renewable energy and sustainability work to their community and Australians around the country.

Benefits to joining Cities Power Partnership

The benefits of joining include:

- Environment: Helping our communities move toward a more sustainable future
- Knowledge: Partners get exclusive access to the extensive online knowledge hub, webinars and Power Analytics tool.
- Connect: Each Power Partner is buddied with other local councils to knowledge share throughout the year.
- Profile: Power partners are profiled in national and local media, online and to our 200,000 members and supporters.
- Cost: There is no fee for joining, just an undertaking to "strive to achieve" the 5 self-nominated pledge items.

Actions to become a Cities Power Partner

To become a Cities Power Partner, each council's Mayor or Shire President writes to the CPP CEO Amanda McKenzie confirming participation and that council will:

- Within 6 months, identify 5 items included in the Cities Power Partnership Pledge that the council will strive to achieve. (Noting that some projects already in the council pipeline could be included towards a council's pledge). Attachment A provides a template to assist Councils choose and monitor their pledges.
- Complete a 12-monthly online survey that provides the Climate Council with basic information on how the 5 pledge items that council has selected are progressing.
- Nominate a point of contact within council that the Climate Council can liaise with on CPP matters, including contact details.
- Confirm willingness to be buddied with other local councils to share knowledge.

See the 2019 Information for Councils document on the Cities Power Partnership website for more information.

RECOMMENDATION:

- **THAT Hunter JO member councils who have not yet joined the Cities Power Partnership review the Actions to become a Cities Power Partner to consider joining.**
- **THAT the HJO Environment Division will monitor progress and if all HJO Councils have joined we will coordinate a media statement with the Councils, Cities Power Partnership and HJO.**

7.2 LG Super request for additional member contributions

Report Author: Joe James, CEO

Responsible Officer: Joe James, CEO

Member Councils have been approached by LG Super regarding additional contributions in their capacity as members of LG Super.

The HJO Chair has been copied into correspondence from Mayor Norman to LG Super, as per Attachment 18. Dungog Council has agreed to share this correspondence to enable discussion of HJO member councils regarding the impact of LG Super's actions and the potential for collective action / responses.

RECOMMENDATION:

- **THAT the Board endorse the CEO writing to LG Super on behalf of the Hunter JO, providing an aggregated number of additional funds being requested from its member councils by LG Super**

7.3 Regional Economic Recovery & Community Resilience Grants

Report Author: Justine Cogan, Project Officer – Environment Division

Responsible Officer: Steve Wilson, Director – Environment Division

Report:

The Council information sheet included at Attachment 19 on 'Economic Recovery and Community Resilience Grants' was provided to the Hunter JO in late December 2019 by Lotta Jackson, General

Manager - Cessnock City Council. The brief provides information on the 'Economic Recovery and Community Resilience Grants Program' announced by NSW Government and State Government to support fire-affected communities.

Three of the Hunter JO's member councils have been recognised as being eligible for this grant, Cessnock City Council, MidCoast Council and Singleton Council. While the funding is focused on fire affected communities, there could be an opportunity for the Hunter JO through its Environment Division to work collaboratively across Councils, to develop a framework of support for those councils in need. That is; identify specialised services, infrastructure and resources of neighbouring Councils and fire-affected Councils taking a short and long term economic recovery and community resilience development approach for the whole region. This regional outlook and opportunity would also be in line with the support offered by the Hunter JO and its member councils to MidCoast Council in November 2019 following the bushfires in this LGA.

Regional frameworks could be based on examples from the Office of Emergency Management to make a "real and practical difference to fire-affected communities":

- Council and community organisation recovery services
- Individual community initiatives or events that support local recovery
- Delivery of community information programs or commemorative events
- Stimulate tourism and small business activity and create local job opportunities
- Restore cultural and heritage sites
- Build community resilience
- Invest in community infrastructure across communities

By engaging with the proposed funding for Cessnock, Singleton and MidCoast Councils from a regional perspective, the Economic Recovery and Community Resilience Grants could provide an opportunity to build a wider framework and strategy for resilience across the region. One example of this is that which has been used in Sydney, i.e. 'Resilient Sydney: A Strategy for Resilience 2018'. By developing such a framework the Hunter region could inform planning, practice and investment patterns which better enable our communities to survive and support one another through events such as the recent bushfires.

As the Office of Emergency Management are planning to host a Regional Disaster Preparedness Officer role from the Hunter JO Offices, this may also be an opportunity for this resource (currently under recruitment) to provide support to the councils affected by the bushfires in preparing their grant applications.

RECOMMENDATION:

- **THAT the Hunter JO Board endorse a regional approach to Disaster Resilience**
- **THAT the Hunter JO Environment Division engage with the Office of Emergency Management in cooperation with Cessnock, Singleton & MidCoast Councils to facilitate a coordinated response to the Economic Recovery & Community Resilience Grant**

7.4 RMS Briefing RE: Delayed Projects

The merger of RMS and Transport for NSW presents as an exciting opportunity for the NSW government to continue to grow the NSW regional economy, particularly the Hunter region.

Specific opportunities from the merger include productivity and efficiency gains through:

- Improved operational alignment of government agencies on strategic priorities, consistent with regional strategic plans;

- Improved integration of transport and land use planning process and both state and local government level;
- Ensuring specific internal processes, such as Works Authorisation Deed (WAD) contract negotiations, are aligned with and support good business practice.

These opportunities could unlock and accelerate unrealised economic benefit. Modelling conducted by Lake Macquarie, through Dantia, suggests that if these and other opportunities were prioritised then:

- billions of additional public and private sector investment/capital expenditure (with additional billions of economic benefits during construction and operations) could be realised;
- 10's of thousands of new construction and operational jobs could be created;
- Thousands of new dwellings could be brought to market to meet demand; and
- Tens of millions of additional council rates across the region could be realised.

The historical value of not capturing these opportunities is significant.

In consultation with regional industry stakeholders, a Ministerial briefing note is being drafted. The focus of the briefing note will be to inform the Minister of the opportunity cost of not capturing these potential productivity and efficiency gains and seeking his support to work with local government and industry stakeholders. It is intended that the draft briefing note will be tabled for consideration of the Board.

8. General Business
